

Fourth Quarter and Twelve Months Financial Statements Announcement

The Directors of Singapura Finance Ltd are pleased to announce the fourth quarter and twelve months financial statements on consolidated results for the period ended 30 June 2016. These figures have not been audited or reviewed by the Auditors.

1(a) Unaudited Group Results for the Fourth Quarter and Twelve Months ended 30 June 2016

	4th Quarter Jun 2016	4th Quarter Jun 2015	+ / (-)	12 Months Jun 2016	12 Months Jun 2015	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
Interest income and hiring charges	8,431	8,167	3.2	34,981	31,417	11.3
Interest expense	(3,602)	(2,495)	44.4	(13,267)	(9,200)	44.2
Net interest and hiring charges	4,829	5,672	(14.9)	21,714	22,217	(2.3)
Fee and commission income	357	219	63.0	1,289	846	52.4
Dividend income	100	157	(36.3)	223	391	(43.0)
Gain on sale of investments	479	-	n.m.	417	83	402.4
Other operating income	82	116	(29.3)	391	456	(14.3)
Income before operating expenses	5,847	6,164	(5.1)	24,034	23,993	0.2
Staff costs	(1,912)	(2,508)	(23.8)	(8,367)	(9,133)	(8.4)
Depreciation of property, plant and equipment	(223)	(235)	(5.1)	(836)	(748)	11.8
Other operating expenses	(1,613)	(2,063)	(21.8)	(8,425)	(7,160)	17.7
Total operating expenses	(3,748)	(4,806)	(22.0)	(17,628)	(17,041)	3.4
Profit from operations before allowances	2,099	1,358	54.6	6,406	6,952	(7.9)
Allowances for loan losses (net)	(1,493)	(627)	138.1	(3,323)	(1,088)	205.4
Impairment loss on investments	-	(400)	(100.0)	(740)	(400)	85.0
Profit before tax	606	331	83.1	2,343	5,464	(57.1)
Tax expense	(101)	(55)	83.6	(379)	(921)	(58.8)
Profit after tax	505	276	83.0	1,964	4,543	(56.8)

n.m. – not meaningful

1(b) Earnings per ordinary share of the group (annualised):-

	4 th Quarter Jun 2016	4 th Quarter Jun 2015	12 Months Jun 2016	12 Months Jun 2015
Based on the weighted average number of ordinary shares in issue (cents); and	1.27	0.70	1.24	3.45
On a fully diluted basis (cents)	1.27	0.70	1.24	3.45

Note

The Group's basic earnings per share is calculated based on the weighted average number of ordinary shares in issue of 158,685,890 for 4th Quarter and 12 Months ended 30 June 2016 (30 June 2015 : 158,685,890 (4th Quarter) and 131,825,726 (12 Months) shares).

There are no potential dilutive ordinary shares for the periods ended 30 June 2016 and 2015.

1(c) Unaudited Group Statement of Comprehensive Income for the Fourth Quarter and Twelve Months ended 30 June 2016

	4th Quarter Jun 2016	4 th Quarter Jun 2015	+ / (-)	12 Months Jun 2016	12 Months Jun 2015	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
Profit for the period	505	276	83.0	1,964	4,543	(56.8)
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Net change in fair value of available-for-sale investments	(50)	(225)	(77.8)	2,894	(1,641)	n.m.
Net change in fair value of available-for-sale investments reclassified to profit or loss						
- on disposal	(479)	-	n.m.	(417)	(83)	402.4
- on impairment	-	400	(100.0)	740	400	85.0
Tax on items that may be reclassified subsequently to profit or loss	90	(30)	n.m.	(547)	225	n.m.
Other comprehensive income for the period, net of tax	(439)	145	n.m.	2,670	(1,099)	n.m.
Total comprehensive income for the period	66	421	(84.3)	4,634	3,444	34.6

n.m. – not meaningful

2(a) Balance Sheets

	Group		Company	
	30-Jun-16	30-Jun-15	30-Jun-16	30-Jun-15
	\$'000	\$'000	\$'000	\$'000
Assets				
Cash and cash equivalents	135,594	140,625	135,450	140,589
Statutory deposit with the Monetary Authority of Singapore	24,681	24,358	24,681	24,358
Investments	117,686	122,512	117,686	122,512
Loans and advances	908,738	935,483	908,738	935,483
Others receivables, deposits and prepayments	3,834	6,168	3,834	6,168
Subsidiaries	-	-	125	125
Property, plant and equipment	8,533	8,667	8,533	8,667
Total assets	1,199,066	1,237,813	1,199,047	1,237,902
Equity				
Share capital	168,896	168,896	168,896	168,896
Reserves	81,143	79,683	79,198	77,862
Total equity attributable to owners of the Company	250,039	248,579	248,094	246,758
Liabilities				
Deposits and savings accounts of customers	936,770	978,143	938,912	980,285
Trade and other payables	9,769	9,049	9,558	8,823
Current tax liabilities	865	655	860	649
Staff retirement gratuities	1,258	1,350	1,258	1,350
Deferred tax liabilities	365	37	365	37
Total liabilities	949,027	989,234	950,953	991,144
Total equity and liabilities	1,199,066	1,237,813	1,199,047	1,237,902

2(b) Net Asset Value

Net asset value per ordinary share (\$)	1.58	1.57	1.56	1.56
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The net asset value per share is calculated based on the number of shares of 158,685,890 ordinary shares in issue at the end of 30 June 2016 and 30 June 2015.

3. Consolidated Cash Flow Statement

	4 th Quarter Jun 2016	4 th Quarter Jun 2015	12 Months Jun 2016	12 Months Jun 2015
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Profit for the period	505	276	1,964	4,543
<u>Adjustments for:-</u>				
Depreciation of property, plant and equipment	223	235	836	748
Property, plant and equipment written off	-	-	3	7
Gain on disposal of property, plant and equipment	-	-	(44)	(19)
Allowances for loan losses (net)	1,493	627	3,323	1,088
Impairment loss on investments	-	400	740	400
Gain on sale of investments	(479)	-	(417)	(83)
Dividend income	(100)	(157)	(223)	(391)
Staff retirement gratuity	24	23	94	95
Tax expense	101	55	379	921
	1,767	1,459	6,655	7,309
<u>Changes in working capital:</u>				
Statutory deposit with Monetary Authority of Singapore	470	(523)	(323)	(1,511)
Loans and advances	9,763	(43,228)	23,422	(144,283)
Other receivables, deposits and prepayments	1,173	(1,577)	2,334	(2,392)
Deposits and savings accounts of customers	(41,101)	63,479	(41,373)	130,813
Trade and other payables	(703)	928	720	958
Cash (used in)/from operations	(28,631)	20,538	(8,565)	(9,106)
Taxes recovered/(paid)	1	-	(390)	(817)
Staff retirement gratuities paid	(36)	(37)	(186)	(67)
Net cash flows (used in)/from operating activities	(28,666)	20,501	(9,141)	(9,990)
Cash flows from investing activities				
Dividends received	100	157	223	391
Purchase of property, plant and equipment	(33)	(75)	(705)	(567)
Proceeds from sale of property, plant and equipment	-	-	44	19
Purchase of investments	(194,550)	(13,044)	(249,464)	(33,175)
Proceeds from sale and maturity of investments	200,554	8,335	257,186	27,023
Net cash flows from/(used in) investing activities	6,071	(4,627)	7,284	(6,309)
Cash flows from financing activities				
Proceeds from issue of shares	-	-	-	78,831
Dividends paid	-	-	(3,174)	(3,967)
Net cash flows (used in)/from financing activities	-	-	(3,174)	74,864
Net (decrease)/increase in cash and cash equivalents	(22,595)	15,874	(5,031)	58,565
Cash and cash equivalents at beginning of period	158,189	124,751	140,625	82,060
Cash and cash equivalents at end of period	135,594	140,625	135,594	140,625

4(a) Statements of Changes in Equity – Group

	Share Capital \$'000	Capital Reserve \$'000	Statutory Reserve \$'000	Fair Value Reserve \$'000	General Reserve \$'000	Accumulated Profits \$'000	Total \$'000
The Group							
At 1 Jul 2015	168,896	1,353	61,178	(2,649)	730	19,071	248,579
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	1,459	1,459
Other comprehensive income:							
Items that may be reclassified subsequently to profit or loss:							
Net change in fair value of available-for-sale investments	-	-	-	2,944	-	-	2,944
Net change in fair value of available-for-sale investments reclassified to profit or loss	-	-	-	-	-	-	-
- on disposal	-	-	-	62	-	-	62
- on impairment	-	-	-	740	-	-	740
Tax on items that may be reclassified subsequently to profit or loss	-	-	-	(637)	-	-	(637)
Total other comprehensive income	-	-	-	3,109	-	-	3,109
Total comprehensive income for the period	-	-	-	3,109	-	1,459	4,568
Transaction with owners, recorded directly in equity							
Final dividend paid of 2 cents per share in respect of year 2015	-	-	-	-	-	(3,174)	(3,174)
At 31 Mar 2016	168,896	1,353	61,178	460	730	17,356	249,973
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	505	505
Other comprehensive income:							
Items that may be reclassified subsequently to profit or loss:							
Net change in fair value of available-for-sale investments	-	-	-	(50)	-	-	(50)
Net change in fair value of available-for-sale investments reclassified to profit or loss	-	-	-	-	-	-	-
- on disposal	-	-	-	(479)	-	-	(479)
- on impairment	-	-	-	-	-	-	-
Tax on items that may be reclassified subsequently to profit or loss	-	-	-	90	-	-	90
Total other comprehensive income	-	-	-	(439)	-	-	(439)
Total comprehensive income for the period	-	-	-	(439)	-	505	66
At 30 Jun 2016	168,896	1,353	61,178	21	730	17,861	250,039

	Share Capital \$'000	Capital Reserve \$'000	Statutory Reserve \$'000	Fair Value Reserve \$'000	General Reserve \$'000	Accumulated Profits \$'000	Total \$'000
The Group							
At 1 Jul 2014	90,065	1,353	58,944	(1,550)	730	20,729	170,271
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	4,267	4,267
Other comprehensive income:							
Items that may be reclassified subsequently to profit or loss:							
Net change in fair value of available-for-sale investments	-	-	-	(1,416)	-	-	(1,416)
Net change in fair value of available-for-sale investments reclassified to profit or loss							
- on disposal	-	-	-	(83)	-	-	(83)
- on impairment	-	-	-	-	-	-	-
Tax on items that may be reclassified subsequently to profit or loss	-	-	-	255	-	-	255
Total other comprehensive income	-	-	-	(1,244)	-	-	(1,244)
Total comprehensive income for the period	-	-	-	(1,244)	-	4,267	3,023
Transaction with owners, recorded directly in equity							
Final dividend paid of 5 cents per share in respect of year 2014	-	-	-	-	-	(3,967)	(3,967)
Issue of Rights Shares	78,831	-	-	-	-	-	78,831
At 31 Mar 2015	168,896	1,353	58,944	(2,794)	730	21,029	248,158
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	276	276
Other comprehensive income:							
Items that may be reclassified subsequently to profit or loss:							
Net change in fair value of available-for-sale investments	-	-	-	(225)	-	-	(225)
Net change in fair value of available-for-sale investments reclassified to profit or loss							
- on disposal	-	-	-	-	-	-	-
- on impairment	-	-	-	400	-	-	400
Tax on items that may be reclassified subsequently to profit or loss	-	-	-	(30)	-	-	(30)
Total other comprehensive income	-	-	-	145	-	-	145
Total comprehensive income for the period	-	-	-	145	-	276	421
Transfer from profit for the year to statutory reserve	-	-	2,234	-	-	(2,234)	-
At 30 Jun 2015	168,896	1,353	61,178	(2,649)	730	19,071	248,579

4(b) Statements of Changes in Equity – Company

	Share Capital \$'000	Capital Reserve \$'000	Statutory Reserve \$'000	Fair Value Reserve \$'000	General Reserve \$'000	Accumulated Profits \$'000	Total \$'000
The Company							
At 1 Jul 2015	168,896	1,353	61,178	(2,649)	730	17,250	246,758
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	1,346	1,346
Other comprehensive income:							
Items that may be reclassified subsequently to profit or loss:							
Net change in fair value of available-for-sale investments	-	-	-	2,944	-	-	2,944
Net change in fair value of available-for-sale investments reclassified to profit or loss							
- on disposal	-	-	-	62	-	-	62
- on impairment	-	-	-	740	-	-	740
Tax on items that may be reclassified subsequently to profit or loss	-	-	-	(637)	-	-	(637)
Total other comprehensive income	-	-	-	3,109	-	-	3,109
Total comprehensive income for the period	-	-	-	3,109	-	1,346	4,455
Transaction with owners, recorded directly in equity							
Final dividend paid of 2 cents per share in respect of year 2015	-	-	-	-	-	(3,174)	(3,174)
At 31 Mar 2016	168,896	1,353	61,178	460	730	15,422	248,039
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	494	494
Other comprehensive income:							
Items that may be reclassified subsequently to profit or loss:							
Net change in fair value of available-for-sale investments	-	-	-	(50)	-	-	(50)
Net change in fair value of available-for-sale investments reclassified to profit or loss							
- on disposal	-	-	-	(479)	-	-	(479)
- on impairment	-	-	-	-	-	-	-
Tax on items that may be reclassified subsequently to profit or loss	-	-	-	90	-	-	90
Total other comprehensive income	-	-	-	(439)	-	-	(439)
Total comprehensive income for the period	-	-	-	(439)	-	494	55
At 30 Jun 2016	168,896	1,353	61,178	21	730	15,916	248,094

	Share Capital	Capital Reserve	Statutory Reserve	Fair Value Reserve	General Reserve	Accumulated Profits	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
The Company							
At 1 Jul 2014	90,065	1,353	58,944	(1,550)	730	18,984	168,526
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	4,199	4,199
Other comprehensive income:							
Items that may be reclassified subsequently to profit or loss:							
Net change in fair value of available-for-sale investments	-	-	-	(1,416)	-	-	(1,416)
Net change in fair value of available-for-sale investments reclassified to profit or loss	-	-	-	(83)	-	-	(83)
- on disposal	-	-	-	-	-	-	-
- on impairment	-	-	-	-	-	-	-
Tax on items that may be reclassified subsequently to profit or loss	-	-	-	255	-	-	255
Total other comprehensive income	-	-	-	(1,244)	-	-	(1,244)
Total comprehensive income for the period	-	-	-	(1,244)	-	4,199	2,955
Transaction with owners, recorded directly in equity							
Final dividend paid of 5 cents per share in respect of year 2014	-	-	-	-	-	(3,967)	(3,967)
Issue of Rights Shares	78,831	-	-	-	-	-	78,831
At 31 Mar 2015	168,896	1,353	58,944	(2,794)	730	19,216	246,345
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	268	268
Other comprehensive income:							
Items that may be reclassified subsequently to profit or loss:							
Net change in fair value of available-for-sale investments	-	-	-	(225)	-	-	(225)
Net change in fair value of available-for-sale investments reclassified to profit or loss	-	-	-	-	-	-	-
- on disposal	-	-	-	-	-	-	-
- on impairment	-	-	-	400	-	-	400
Tax on items that may be reclassified subsequently to profit or loss	-	-	-	(30)	-	-	(30)
Total other comprehensive income	-	-	-	145	-	-	145
Total comprehensive income for the period	-	-	-	145	-	268	413
Transfer from profit for the year to statutory reserve	-	-	2,234	-	-	(2,234)	-
At 30 Jun 2015	168,896	1,353	61,178	(2,649)	730	17,250	246,758

5. Group's borrowings and debt securities

Nil.

6. Changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported

Nil.

7. Sales, transfers, disposal, cancellation and / or use of treasury shares as at the end of the financial period

Not applicable. During the financial period, no shares were held as treasury shares.

8. Accounting Policies

For the current financial period, the Group and the Company have adopted all the relevant new or revised Financial Reporting Standards ("FRS") and interpretations ("INT FRS") which came into effect for the Group and the Company from 1 July 2015.

The adoption of these new or revised FRS and INT FRS does not have any material impact on the financial statements of the Group and the Company for the financial period under review.

The accounting policies and methods of computation adopted in the financial statements for the financial period under review are consistent with those applied in the financial statements for the year ended 30 June 2015.

9. Review of the Performance of the Company and its Principal Subsidiaries

The Group's profit from operations before allowances increased by 54.6% to \$2.1 million for the quarter under review compared to \$1.4 million for the previous corresponding quarter. Efforts to reduce operating costs are starting to show results as they have declined by \$1.1 million or 22.0%. This cost reduction has more than offset the marginal decrease in total income of \$0.3 million or 5.1%.

Though interest income and hiring charges rose by \$0.3 million, this was offset by a higher increase in interest costs of \$1.1 million, resulting in \$0.8 million or 14.9% drop in net interest income. Non-interest income was higher mainly due to higher gain on sale of investments and fees and commission income. Total operating expenses were well contained with the decline coming largely from staff costs and other operating expenses.

For the twelve months ended 30 June 2016, the Group's operating profit before allowances was \$6.4 million, compared to \$7.0 million during the same period last year. Net interest income contracted by 2.3% as the rise in interest costs more than offset the growth in interest income. With higher gain on sale of investments and fees and commission income, total income remained stable; but was more than offset by the growth in operating expenses of \$0.6 million or 3.4%. The increase in total operating expenses was largely attributed to higher amortisation of commissions to auto-loan dealers.

Net allowances for loan losses amounted to \$1.5 million and \$3.3 million for the quarter and twelve months ended 30 June 2016 respectively. This is a reflection of the prevailing challenging economic conditions and severe headwinds from sluggish global growth. For the same twelve months last year, there was a net charge for loan allowances of \$1.1 million. The Group continues to set aside adequate specific and collective allowances for the loan portfolio.

No additional provision was made for impairment loss on investments during the quarter as the impaired investments have been disposed during the first quarter of 2016.

The Group registered a profit after tax of \$0.5 million for the quarter and \$2.0 million for the twelve months ended 30 June 2016. Notwithstanding the weaker twelve months performance, the Group's shareholders' funds remains strong at \$250 million as at 30 June 2016, and is more than adequate to buffer further volatility in the current uncertain economic environment. Our capital adequacy ratio continues to be well above the regulatory minimum requirement.

The Group's total loan net of allowances contracted marginally by 2.9% to \$909 million as at 30 June 2016 compared to \$935 million as at 30 June 2015 in the midst of an economic slowdown. In tandem with the lower loan balance, total customers' deposits declined by 4.2% to \$937 million as at 30 June 2016.

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen which is likely to affect substantially the results of the operations of the Group and the Company in the interval between the end of the financial period and the date of this announcement.

10. Comments on Significant Trends and Competitive Conditions in the Industry

Based on the Ministry of Trade and Industry (MTI)'s advance GDP estimates, the Singapore economy grew by 2.2% on a year-on-year basis in the second quarter of 2016, marginally higher than the 2.1% growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded by 0.8%, faster than the 0.2% growth in the preceding quarter. The current forecast for Singapore's GDP growth in 2016 is 1.0% to 3.0%. However, in view of external developments such as Brexit, moderate US expansion path and slowdown in the Chinese economy and their potential fallout on the already modest domestic growth, MTI and MAS are reviewing this range.

In the current sluggish economic climate, the Group would continue to be proactive in controlling our operating expenses as well as prudent and vigilant in managing and monitoring the heightened business risk of our loan portfolio.

11.(a) Interim Dividend and Amount Recommended per share

Nil.

11.(b) Interim Dividend Recommended Previous Corresponding Period

Nil.

12. Shareholders' mandate for Interested Party Transactions

The Group has not sought any shareholders' mandate for interested person transactions pursuant to Rule 920 of the SGX-ST Listing Manual.

13. The Company confirms that it has procured the undertakings required under Rule 720(1) from all its directors and executive officers.

14. Other Matters

Nil.

By Order of the Board
Ngiam May Ling
Company Secretary

5 August 2016

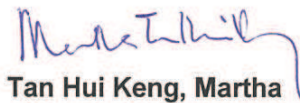
**CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5)
OF THE SGX-ST LISTING MANUAL**

We, Teo Chiang Long and Tan Hui Keng, Martha, being two Directors of Singapura Finance Ltd ("the Company"), do hereby confirm on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the quarter and twelve months ended 30 June 2016 financial results to be false or misleading.

On behalf of the Board of Directors



Teo Chiang Long
Director



Tan Hui Keng, Martha
Director

5 August 2016